

**PUBLIC DISCLOSURE**

October 6, 1997

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Virginia Bank-Mountain Empire

05510760

P. O. Box 368

Damascus, Virginia 24236

**Federal Reserve Bank of Richmond**

**P. O. Box 27622**

**Richmond, Virginia 23261**

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## **GENERAL INFORMATION**

The Community Reinvestment Act (CRA) requires each Federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institutions record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institutions record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of First Virginia Bank-Mountain Empire, Damascus, Virginia, prepared by The Federal Reserve Bank of Richmond, the institutions supervisory agency, as of October 6, 1997.

The agency evaluates performance in the assessment area as delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

**INSTITUTIONS CRA RATING:** This institution is rated Satisfactory.

First Virginia Bank-Mountain Empire primarily serves its assessment areas through direct lending and offers a variety of credit products. A majority of the bank's loans were originated within the assessment areas, and the geographic distribution of lending throughout the market areas is considered reasonable. Furthermore, the lending to low- and moderate-income individuals and businesses with revenues less than \$1 million meets expected performance standards in relation to area demographics. The institutions level of responding to community development needs through its investment activities is considered adequate. Delivery systems and branch locations are considered readily accessible, and participation in community development services is considered reasonable.

The following table indicates the performance level of First Virginia Bank-Mountain Empire with respect to the lending, investment, and service tests.

<div> <div>PERFORMANCE</div> <div> <div>First Virginia Bank-Mountain Empire</div> </div> </div>			
LEVELS	PERFORMANCE TESTS		
	LENDING TEST *	INVESTMENT TEST	SERVICE TEST
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

**DESCRIPTION OF INSTITUTION:**

First Virginia Bank-Mountain Empire operates nine offices throughout the Cities of Bristol and Norton, Virginia, and the Counties of Dickenson, Washington and Wise, Virginia. The institutions parent holding company, First Virginia Banks, Inc., is located in Falls Church, Virginia. As of September 30, 1997, the bank had \$117 million in assets of which 72% were loans. The loan portfolio as of this date was comprised of 51% real estate secured (including consumer and business), 7% commercial/agricultural, 40% consumer and 2% other. The bank's previous CRA rating was satisfactory.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:****LENDING TEST**

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. During the six-quarter period ending June 1997, the quarterly average loan-to-deposit ratio for all banks headquartered in metropolitan areas of Virginia and of similar asset size to First Virginia Bank-Mountain Empire ranged from 72% to 76%. During the same period, the quarterly average loan-to-deposit ratio for all banks headquartered in nonmetropolitan areas of the Commonwealth and of similar asset size to the bank ranged from 69% to 74%. The bank's average loan-to-deposit ratio for the previous six quarters is 78% and is considered reasonable given the institutions size, locations, and financial capacity.

As identified in the CRA Public File, a full range of credit products is offered including loans for small business, commercial, consumer, residential mortgage, home improvement, residential construction, and agricultural purposes. Long-term mortgages and Government sponsored loans are offered through the bank's two mortgage affiliates, First Virginia Mortgage Company (FVMC) and First General Mortgage Company (FGMC).

The following chart depicts the bank's lending activity from January 1, 1996, through June 30, 1997, by number, dollar amount, and percentage for the types of credit listed. The table includes loan activity originated within the bank's assessment areas by its bank and mortgage affiliates.

First Virginia Bank-Mountain Empire Loan Originations 1-1-96 to 6-30-97				
Description	Total Number of Loans	Percentage of Lending	Total Dollar Amount (000s)	Percentage of Lending
Small Business/ Small Farm*	265	4%	\$5,989	8%
Home Equity	74	1%	\$2,012	3%
Motor Vehicle	3,358	46%	\$38,694	51%
Other Consumer Secured	2,066	28%	\$10,579	14%
Other Consumer Unsecured	903	12%	\$1,727	2%
HMDA*	623	9%	\$16,387	22%
Totals	7,289	100%	\$75,388	100%

\* The institution is required to collect information about these types of loans.

As illustrated above, exclusive of HMDA reported loans, a majority of the number (87%) and dollar amounts (70%) of loan originations were for consumer purposes. The institution's lending activity is considered responsive to the credit needs of the assessment areas.

The institution's volume of lending, exclusive of affiliate loans, from January 1, 1996, through June 30, 1997, is represented in the following table by number and dollar amounts. The figures below include lending activity within both the metropolitan and nonmetropolitan assessment areas.

Comparison of Credit Extended Inside and Outside the Assessment Areas

	Small Business/Farm		Consumer		HMDA		Total	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Number of Loans	192	44	3,830	1,104	459	115	4,481	1,263
Percentage of Loans	81%	19%	78%	22%	80%	20%	78%	22%
Dollar Amount of Loans(000's)	\$4,552	\$763	\$24,632	\$8,310	\$11,911	\$2,180	\$41,095	\$11,253
Percentage of Amount	86%	14%	75%	25%	85%	15%	79%	21%

As presented above, a majority of the number (78%) and dollar amounts (79%) of total loans have been provided to area residents. The percentage of lending activity within the bank's assessment areas is considered responsive to community credit needs.



The geographic distribution of loans is discussed in detail later in this evaluation and is considered reasonable with loans originated within geographies of varying income levels. Furthermore, loans have been extended to customers of different income levels and to businesses of varying sizes.

The overall rating of the institution under the lending test is high satisfactory.

#### **INVESTMENT TEST**

The institutions level of responding to community development needs through its investment activities is rated high satisfactory. The bank has invested in qualified organizations and provides donations to associations that benefit low- and moderate-income individuals.

#### **SERVICE TEST**

The overall rating of the institution under the service test is high satisfactory. Delivery systems, branch locations, and the hours of operation are considered readily accessible and convenient to all portions of the assessment areas. The bank's participation in community development services is considered reasonable in relation to the characteristics of the assessment areas.

#### **COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS**

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

**METROPOLITAN ASSESSMENT AREA**  
(for metropolitan areas with assessment areas  
reviewed using the examination procedures)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WASHINGTON COUNTY/CITY OF BRISTOL  
ASSESSMENT AREA:**

First Virginia Bank-Mountain Empire is headquartered in Damascus, Virginia, and serves two assessment areas. The first assessment area encompasses Washington County and the City of Bristol and contains six branch locations. This area is included within the Johnson City-Kingsport-Bristol Tennessee-Virginia Metropolitan Statistical Area (MSA).

The metropolitan market contains 15 census tracts of which one is low-income, three are moderate-income, nine are middle-income, and two are upper-income. The one low-income geography, however, does not contain any population or households. According to 1990 census data, this assessment area has a population of 64,313 and a median housing value of approximately \$50,440. The owner-occupancy rate for the market is 67%, which is slightly lower than that of the MSA (68%). The owner-occupancy rate for the Commonwealth of Virginia is 61%. The 1997 median family income for the MSA is \$34,000.

The following table provides demographics for the metropolitan assessment area by the income level of families and the percentage of population living in census tracts of varying income levels.

Metropolitan Assessment Area

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	23%	19%	22%	36%	100%
Percentage of Population Residing in Census Tracts by Income Level of Tract	0%	21%	65%	14%	100%

Seventy-one percent of the assessment area's population resides in Washington County, which is primarily rural but has experienced steady population growth. The metropolitan economy is largely dependent on manufacturing companies and agriculture.

The major manufacturing employers in the area include Westinghouse Electric Corporation, Bristol Compressors, Inc., Camac Corporation, Mid-Mountain Foods, and U. S. Gypsum Company, Inc. Agricultural employment opportunities are provided primarily by the poultry and egg production industries. The unemployment rates as of September 1997 for Washington County and Bristol City were 7.8% and 7%, respectively. The jobless rate for the Commonwealth of Virginia was 4.1%.

An official from a local community service organization was contacted during the examination to further assist in evaluating the bank's CRA performance. Information gathered from the contact revealed that affordable housing is a primary need for local residents. The contact further indicated that area banks are sufficiently meeting the credit needs of the community.



**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON COUNTY/CITY OF BRISTOL ASSESSMENT AREA:**

**LENDING TEST**

Geographic Distribution of Loans

The geographic distribution of loans within the metropolitan assessment area is reflected in the following tables. The tables represent the institutions' lending according to income level of the census tract. As previously stated, no populated low-income census tracts are included within this assessment area.

Distribution of Small Business/Farm Loans by Income Level of Census Tract  
(Includes Affiliate Lending)

	Moderate- Income	Middle- Income	Upper-Income	Total
Total Number of Loans	62	100	17	179
Percentage of Total Loans	35%	56%	9%	100%
Total Amount of Loans (000s)	\$1,726	\$1,297	\$430	\$3,453
Percentage of Total Loans	50%	38%	12%	100%

Distribution of Consumer Loans by Income Level of Census Tract  
(Includes Affiliate Lending)

	Moderate-Income	Middle- Income	Upper-Income	Total
Total Number of Loans	952	1,702	231	2,885
Percentage of Total Loans	33%	59%	8%	100%
Total Amount of Loans (000s)	\$6,944	\$15,792	\$2,829	\$25,565
Percentage of Total Loans	27%	62%	11%	100%

Distribution of HMDA Loans\* by Income Level of Census Tract  
(Includes Affiliate Lending)

	Moderate-Income	Middle- Income	Upper-Income	Total
Total Number of Loans	119	175	27	321
Percentage of Total Loans	37%	55%	8%	100%
Total Amount of Loans (000s)	\$2,961	\$5,502	\$1,102	\$9,565
Percentage of Total Loans	31%	58%	11%	100%

\* These figures include originations/purchases by FVMC and FGMC

Overall, 34% (1,133/3,385) of the bank's loans originated within the assessment area were extended to individuals and businesses located in moderate-income census tracts. This level of lending significantly exceeds the percentage of the population (21%) residing in such areas. Given the local economic conditions and the size and locations of the institution, the bank's loan distribution within this assessment area is considered more than reasonable.

Borrower's Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended by the bank in the metropolitan assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower  
(Includes Affiliate Lending)

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	628	738	694	777	2,837
Percentage of Total Loans	22%	26%	25%	27%	100%
Total Amount of Loans (000's)	\$2,678	\$5,223	\$6,443	\$10,944	\$25,288
Percentage of Total Amount	11%	21%	25%	43%	100%

Distribution of HMDA\* Loans by Income Level of Borrower  
(Includes Affiliate Lending)

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	38	69	64	104	275
Percentage of Total Loans	14%	25%	23%	38%	100%
Total Amount of Loans(000's)	\$445	\$1,200	\$1,863	\$5,169	\$8,677
Percentage of Total Amount	5%	14%	22%	59%	100%

\* These figures include originations/purchases by FVMC and FGMC.

As depicted above, the percentage of consumer loans (48%) and HMDA loans (39%) to low- and moderate-income borrowers closely corresponds to the percentage of such families (42%) living within this assessment area. Given the local economic conditions, demand for credit, and the size and location of the institution, the loan distribution by borrower income level is considered reasonable.

The bank also offers several products which target low- and moderate-income residents.

First Virginia Bank-Mountain Empire is an approved FHA Title I home improvement lender. This program has less stringent underwriting criteria than traditional financing and requires little or no equity in the property to be improved. However, no loans have been extended under this program since the previous evaluation.

In addition, the institution is active in providing Government guaranteed student loans through the Stafford and Plus programs. From January 1, 1996, through June 30, 1997, a total of 92 Stafford and Plus loans for \$270,083 were provided to eligible students.

Distribution of Lending by Loan Amount and Size of Business or Farm  
(Includes Affiliate Lending)

	\$0 -\$100,000		>\$100,000 - \$250,000		>\$250,000		Total	
Total Revenues ≤ \$1 Million	173	97%	3	2%	0	0%	176	99%
Total Revenues > \$1 Million	2	1%	0	0%	0	0%	2	1%
Totals	175	98%	3	2%	0	0%	178	100%

As illustrated above, 99% (176/178) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 97% of the 178 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. First Virginia Bank-Mountain Empire continues to offer Small Business Administration (SBA) loans although no such loans have been extended since the previous evaluation. The level of lending demonstrates the bank's willingness to meet the credit needs of local small businesses.

Given the product lines offered by the institution and its mortgage affiliates, the distribution of loans to borrowers of different income levels and to businesses of different sizes is considered more than reasonable and demonstrates the bank's willingness to meet the credit needs of all segments of this community.

#### Community Development Loans

To the extent the bank may have originated any additional community development loans, such financing has been reported as small business or mortgage loans.

#### **INVESTMENT TEST**

The bank has invested \$275,000 in the Virginia Housing Development Authority (VHDA), which serves the entire Commonwealth. The VHDA acts as a public mortgage lending institution assisting low- and moderate-income people with various housing needs including single-family home financing, rental housing funding, and the administration of Federal Section 8 subsidies.

No qualified contributions benefitting the metropolitan assessment area have been made since the previous evaluation.

#### **SERVICE TEST**

##### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of this assessment area. Two Automated Teller Machines (ATMs) are located in the metropolitan assessment area. These ATMs provide local residents with 24-hour nationwide network access. Telephone and mail banking services are also available to provide customers with 24-hour accessibility.

##### Branch Locations and Hours of Operation

Six branches are located within the metropolitan assessment area. The branch locations and business hours are considered convenient and meet the needs of the assessment area with all full-service branches offering Saturday hours. Several branches are open Monday through Friday until 6:00 p.m.; specific branch hours vary. The bank's newest metropolitan office provides lobby hours on Sundays from 1:00 p.m. to 6:00 p.m. One of the bank's metropolitan branches is located in a moderate-income census tract.

In August 1996, First Virginia Bank-Mountain Empire opened a branch office in a local Wal-Mart store providing residents with greater accessibility to financial services. While no branches have been closed in the metropolitan assessment area since the previous evaluation, a branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991.

##### Community Development Services

The bank provides Government check cashing for noncustomers at no charge. Free checking is provided for senior citizens, students, or for customers who receive at least one direct deposit per month.

The institution's provision of community development services is considered reasonable given the demographics and opportunities available within this assessment area.

### NONMETROPOLITAN ASSESSMENT AREAS

(if some or all of the assessment areas within the nonmetropolitan statewide areas were reviewed using the examination procedures)

#### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WISE/DICKENSON ASSESSMENT AREA:

The bank's second assessment area includes the City of Norton and Dickenson and Wise Counties. Three branches are located within this community. The nonmetropolitan market contains 26 block numbering areas (BNAs) of which 17 are populated. Of the populated geographies, 11 are moderate-income, five are middle-income and one is upper-income. There are no populated low-income geographies within the assessment area. According to 1990 census data, this market has a population of 61,440 and a median housing value of approximately \$42,946. The owner-occupancy rate for the assessment area is 70%, which is somewhat higher than the 65% rate for the nonmetropolitan portions of the Commonwealth. Mobile homes comprise 27% of the total housing units within this assessment area. The mobile home concentration in nonmetropolitan geographies of Virginia is lower at 15%. The 1997 median family income for nonmetropolitan areas within Virginia is \$34,800.

The following table provides demographics for the nonmetropolitan assessment area by the income level of families and the percentage of population living in BNAs of varying income levels.

Nonmetropolitan Assessment Areas

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	31%	21%	19%	29%	100%
Percentage of Population Residing in Census Tracts/BNAs by Income Level of Tract/BNA	0%	66%	27%	7%	100%

The nonmetropolitan assessment area is primarily rural. The economy has traditionally relied on the coal mining industry for many employment opportunities. However, county officials have instituted efforts to reduce local dependence on this declining industry. Two state prisons are currently under construction and are scheduled to be completed in the spring of 1998. Plans also exist to build a Federal prison in a neighboring county. When fully operational, the three prisons are expected to create 1,000 jobs for the assessment area and surrounding counties. Other employment opportunities not related to the coal industry are provided by two local colleges, several manufacturing firms, and retail businesses. As of September 1997, the unemployment rates for Wise County, Dickenson County, and the City of Norton were 14%, 17.3%, and 9.9%, respectively. The high unemployment rates are reflective of the sluggish economy as a result of the declining coal mining industry. As previously mentioned, the statewide jobless rate for this period was 4.1%.

A representative from a local trade organization was contacted recently to further assist in evaluating the banks CRA performance. The contact indicated that area banks are adequately serving the community and that the area would benefit from more diverse job opportunities.

# **CONCLUSION WITH RESPECT TO PERFORMANCE TESTS IN THE WISE/DICKENSON ASSESSMENT AREA**

## **LENDING TEST**

### Geographic Distribution of Loans

The geographic distribution of small business/farm, consumer, and HMDA loans from January 1, 1996, through June 30, 1997, is reflected in the following tables. The tables represent the institutions lending within the nonmetropolitan assessment area according to income level of the geography. As mentioned previously, no populated low-income BNAs are included within this market.

### Distribution of Small Business/Farm Loans by Income Level of BNA (Includes Affiliate Lending)

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	11	10	21	42
Percentage of Total Loans	26%	24%	50%	100%
Total Amount of Loans (000's)	\$879	\$198	\$696	\$1,773
Percentage of Total Loans	50%	11%	39%	100%

### Distribution of Consumer Loans by Income Level of BNA (Includes Affiliate Lending)

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	1,184	826	402	2,412
Percentage of Total Loans	49%	34%	17%	100%
Total Amount of Loans (000's)	\$9,400	\$6,229	\$3,510	\$19,139
Percentage of Total Loans	49%	33%	18%	100%

Distribution of HMDA\* Loans by Income Level of BNA  
(Includes Affiliate Lending)

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	95	74	19	188
Percentage of Total Loans	51%	39%	10%	100%
Total Amount of Loans (000's)	\$2,750	\$1,464	\$487	\$4,701
Percentage of Total Loans	59%	31%	10%	100%

\* These figures include originations/purchases by FVMC and FGMC.

Overall, 49% (1,290/2,642) of the bank's loans originated within the assessment area were extended to individuals and businesses located in moderate-income census tracts. Fifty percent of the dollar amounts of such loans were extended in moderate-income areas. This level of lending is less than the proportion of the population (66%) residing in such areas. However, given economic conditions and demand for credit in the nonmetropolitan assessment area, the bank's overall loan distribution is reasonable.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended by the institution in the nonmetropolitan assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower  
(Includes Affiliate Lending)

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Consumer Loans	461	611	627	620	2,319
Percentage of Total Loans	20%	26%	27%	27%	100%
Total Amount of Consumer Loans (000's)	\$2,110	\$4,055	\$5,613	\$6,897	\$18,675
Percentage of Total Amount	11%	22%	30%	37%	100%

Distribution of HMDA Loans\* by Income Level of Borrower  
(Includes Affiliate Lending)

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of HMDA Loans	12	26	39	64	141
Percentage of Total Loans	9%	18%	28%	45%	100%
Total Amount of HMDA Loans (000's)	\$140	\$404	\$805	\$2,535	\$3,884
Percentage of Total Amount	4%	10%	21%	65%	100%

\* These figures include purchases/originations by FVMC and FGMC.

As depicted in the tables above, the percentage of consumer loans (46%) and HMDA loans (27%) extended to low- and moderate-income borrowers is less than the percentage of such families (52%) in the assessment areas. Given the sluggish local economy, the lending distribution according to the income level of the borrower appears reasonable.

As mentioned previously, the bank continues to offer FHA Title I home improvement loans and Government guaranteed student loans. Mobile home occupancy is substantially higher in the assessment area than in nonmetropolitan areas of Virginia, as noted earlier. Mobile homes often provide housing for low- and moderate-income families. Since the previous evaluation, 15 mobile home loans totaling \$169,720 have been extended.

Distribution of Lending by Loan Amount and Size of Business or Farm  
(Includes Affiliate Lending)

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	39	96%	1	2%	0	0%	40	98%
Total Revenues > \$1 Million	1	2%	0	0%	0	0%	1	2%
Totals	40	98%	1	2%	0	0%	41	100%

As illustrated above, 98% (40/41) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 96% of the 41 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. This level of lending demonstrates the bank's willingness to meet the credit needs of local small businesses.

As mentioned previously, First Virginia Bank-Mountain Empire continues to offer loans guaranteed by the SBA. Given the product lines offered by the institution and its mortgage affiliates, the distribution of loans to borrowers of different income levels and to businesses of different sizes is considered reasonable and demonstrates the bank's efforts to meet the credit needs of all segments of this community.



### Community Development Loans

To the extent the bank originated any community development loans within the market area, such financing has been reported as small business or HMDA loans.

### **INVESTMENT TEST**

As mentioned earlier, the bank has invested in VHDA bonds. In addition, contributions totaling \$830 were provided to an organization within the nonmetropolitan assessment area which primarily targets low- and moderate-income persons.

### **SERVICE TEST**

#### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. One ATM is currently located in the nonmetropolitan assessment area, and another is in the process of being installed in an existing branch. ATMs provide local residents with 24-hour nationwide network access. Telephone and mail banking services are also available to provide customers with 24-hour accessibility.

#### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area, with most branches offering Saturday hours. Two branches offer drive-through hours until 7:00 p.m. Monday through Friday; specific branch hours vary. One of the bank's offices is located in a moderate-income BNA.

In July 1997, in anticipation of an impending merger, the bank closed its Clintwood branch located in Dickenson County. The assets and liabilities were transferred to another financial institution upon closing, and no lapse in the provision of banking services occurred. As mentioned previously, a branch closing policy is in effect.

#### Community Development Services

As discussed earlier, the bank provides Government check cashing for noncustomers at no charge. Free checking is provided for senior citizens, students, or for customers who receive at least one direct deposit per month.

The institution's provision of community development services is considered reasonable given the demographics and opportunities available within the assessment area.